THE VICE-CHAIRMAN (SHRI JANKA BEHARY DAS) : We shall now take up the clause by clause consideration of the Bill.

Clauses 2 to 4 were added to the Bill.

Clause 1.—Short title and commencement.

SHRI JAGANNATH RAO : Sir, I move:

1. "That at page 1, line 1, for the word 'Twentieth' the word 'twenty-first' be substituted."

2. "That at page 1, line 4, for the figure '1969' the figure '1970' be substituted."

The questions were put and the motions were adopted.

THE VICE-CHAIRMAN (SHRI JANKA BEHARY DAS) : The question is:

"That clause 1, as amended, stand part of the Bill."

The motion was adopted.

The Clause I, as amended, was added to the Bill.

The Enacting Formt and the Title were added to the Bill.

SHRI JAGANNATH RAO : Sir, I move:

"That the Bill, as amended, be passed."

The question was proposed.

SHRI MULKA GOVINDA REDDY : Sir, I want to say something. The Minister in the Ministry of Law stated that the pendency in the Supreme Court is increasing and he said that some way must be found to reduce it. The way is to strengthen the Supreme Court. The other way is to recruit proper persons to the Supreme Court so that the pendency is reduced. Sir, in the future of things, when the country is developing so many people would go to the Supreme Court and so many litigants would take place. But the litigants can be avoided and reduced provided the Government has the courage to amend the Constitution of India, particularly the part relating to fundamental rights. This Government for the last three years is still considering whether or not to support the Bill that was moved by Shri Nath Pai in the other House. They should have the courage to come forward to amend the Constitution. If only this is done the litigation would go. This right to property will go and so many cases will never come to the Supreme Court or even to the High Court.

THE VICE-CHAIRMAN (SHRI BANKA BEHARY DAS) : Have you anything to say?

SHRI JAGANNATH RAO : I have already stated our position.

SHRI MULKA GOVINDA REDDY : Let him say whether he is going to support the Bill moved by Comrade Nath Pai or not. Mr. Nath Pai's Bill is pending in the Lok Sabha.

SHRI JAGANNATH RAO : We will see when the time comes. The Bill is pending in the Lok Sabha. It has not come to the Rajya Sabha yet.

THE VICE-CHAIRMAN (SHRI BANKA BEHARY DAS) : The question is:

"That the Bill, as amended, be passed."

The motion was added.

FURTHER CLARIFICATIONS RELATING TO STATEMENT BY MINISTER MADE ON THE 31ST JULY, 1970 RE ESTABLISHMENT OF THE COTTON CORPORATION OF INDIA

THE VICE-CHAIRMAN (SHRI BANKA BEHARY DAS) : Now at 5 o'clock we have to take up clarifications on the statement regarding the establishment of the Cotton Corporation of India.

SHRI AKBAR ALI KHAN (Andhra Pradesh) : We can take it up now with the approval of the House.
THE VICE-CHAIRMAN (SHRI BANKA BEHARY DAS): Is it the pleasure of the House that we should take it up immediately?

HON. MEMBERS: Yes.

SHRI JABUBHAI M. CHINAI (Maharashtra): Sir, before we take it up I want to make one small submission. Last Friday when this question was being discussed, in the heat of the moment I said something derogatory to the hon. Deputy Minister which I should not have said. On page 447 of the debate I have said: "The poor fellow has no knowledge of the subject." I would like to withdraw these words. I am really sorry for what I have said.

THE VICE-CHAIRMAN (SHRI BANKA BETARY DAS): Thank you. Now, anybody wants to put questions?

SHRI BABUBHAI M. CHINAI: I was on my legs that day, Sir.

On that day, we were told by the hon. Deputy Minister that "as regards the internal trade, this Corporation will enter only when the prices go below the support prices." I would like to know from the hon. Minister of State whether this statement stands correct today also because the statement made in the name of the Minister by the Deputy Minister on that day does not denote this. Secondly, I wanted to know why the Government has come to this decision of taking over the internal trade also along with the import trade. In fact, the statistics of the last few years show that the production of cotton is static. It has not increased. On the contrary, it has decreased and if goes five or six lakhs below the average estimate which is given. Why doesn't the Government try to increase the production of cotton instead of taking over the internal trade?

Then, in the case of the Princes and others, even though the decisions were taken one-and-a-half or two years ago, still negotiations are going on just to see that everything is straightened out. In this case, whether the traders are going to be on the streets, where about three lakhs families are involved—and if you take an average of four persons per family, it comes to 12 or 12.5 lakhs of people. Is the Government thinking of having negotiations and talks so far as the internal trade is concerned? After this Corporation is formed and after thinking of taking over this import trade, in due course—so that the Government may not be in a haste to take over the internal trade and hit the trade? Thirdly, I wanted to know whether the Government has come to any decision so far as the hedge contract concerned. Everybody who knows about the trade knows that hedge contract is not speculation and it is only a device to regulate the marketing of cotton.

SHRI A. G. KULKARNI (Maharashtra): Only the traders know it.

SHRI BABUBHAI M. CHINAI: I did not say that Mr. Kulkarni knows it.

The fourth point is, in the statement the hon. Minister has said that the Government will come into the picture for support prices. The question of support prices to-day does not arise in view of the fact that the prices are so high and there is no necessity for support prices. There is no question that the farmers or the producers should get a fair price for their cotton. Now, what is the exact position of the ginneries? The ginneries are in the private sector. If the internal trade is going to be taken over and if the import trade is also going to be taken over, are the ginneries also going to be nationalised? I would like to know that also. So far as the import of cotton is concerned, the distribution today is done on the spindlage basis. As I explained the other day, the distribution is very irrational. Those who are using it have to pay a premium to the coarse mills which are not using it and thereby their cost goes up. Ultimately this is an indirect way of giving money to the people who are not using any foreign cotton either of Sudan or of Egypt. Finally, I hope the Minister knows that the amount earmarked for the purpose by the Centre for 1968-69 for cotton production was Rs. 74 lakhs whereas in 1969-70 it is Rs. 90 lakhs only. If we can earmark Rs. 10 crores every year—and it is not a very big amount—we can save easily.
TSri Babubhai M. ChinaiJ about Rs. 70 to Rs. 90 crores foreign exchange on the import of cotton only. In view of this position may I know from the honourable Minister whether it would be possible for the Government to reconsider the whole issue and come to some decision which would be fitting with their views and which will also ease the difficulties of the trader?

In the end I would only ask the Minister whether he knows the saying, "fa*m TRT scrq-rf, iTT^1 WTfTORTl" That means the people, whose king or Government is a businessman, his people become paupers; they become beggars. I hope from this angle also the honourable Minister will be kind enough to enlighten us.

THE MINISTER OF FOREIGN TRADE (SHRI L. N. MISHRA) : Sir, first take up the last question of Shri Babubhai Chinai about reconsidering the whole issue. My answer is "No". Our decision is irrevocable and we will go ahead with that decision. Then Shri Babubhai seems to be concerned about our domestic cotton trade. I can allay his misgivings about it. There is nothing of that sort. I will read out a small portion which puts the situation exactly as it is,

"In the field of domestic trade, the Corporation will make a beginning with undertaking purchases for certain specific objectives. The growers of cotton will be assured of an agency which will give them the necessary price support. The more enterprising cultivator growing the new varieties will have an agency to buy the extra long staple cotton at fair prices. In the process, we will also be setting up an agency with the necessary expertise for procuring the cotton for the mills under the purview of the National Textile Corporation. The Corporation would also be prepared to assist private sector mills in their programme of cotton purchases."

I will explain a little further.

"It will be the endeavour of this Corporation to effect the change-over smoothly and to utilise, in the effort,

the accumulated skills in the field of import trade and domestic cotton. The Corporation will make every effort to so organise its operations that no inconvenience is caused to the growers and consumers of cotton nor any dislocation is caused so far as other cotton interests are concerned."

In fact, domestic cotton trade can be carried on unaffected as hitherto as the Corporation has not taken over this trade as such. About other things...

SHRI AKBAR ALI KHAN (Andhra Pradesh) : Unemployment of internal trade,

SHRI L. N. MISHRA: I must say that our object is to take over the domestic trade also. But I am not going to take over the domestic trade this year or the next year. It will take some years before we can come to this decision to take over the domestic trade completely. But we are going in this direction mainly with a view to giving support to the growers in the field of getting and selling cotton at fair prices.

Then about the negotiations, Sir there is no question of having any negotiations at this stage because we are not entering the domestic trade at all. About unemployment question, probably Shri Babubhai Chinai has been very much misled on this point. My information is only about 1,000 or 1,500 people are employed in the import trade of cotton. We are going to avail of their services also as far as possible because we will need their services for handling the goods when we take over hundred per cent. So far as those who are engaged in the domestic trade are concerned, we are not going to touch them. Therefore, this question of unemployment does not

5 P.M. arise. He raised the question of hedge-trading. Two days earlier also he raised this question. As a matter of fact, it is for the Ministry of Internal Trade. This is something like forward trading. I read out a small paragraph on this :
“Hedge trading has been an important device to regulate marketing of cotton. Hedge-trading in cotton was suspended in the cotton year of 1965-66.”

We are not stopping it today. It was stopped in 1965-66. Hedge-trading is accompanied by speculation in price. When cotton crop is unusually large or small, the speculation becomes accentuated. 1965-66 was a year of poor cotton crop and it was stopped. Whether it will be renewed or not, I cannot say because it is a matter for the Ministry of Internal Trade. It is a speculative business and most likely, Government will not like to enter into this field at the moment.

He also asked whether the distribution will be on a pindilised basis. Actually this is a suggestion whether cotton will be allotted on a pindilised basis or actual production basis. This is a matter which we will consider and we will apply our mind to this aspect...

(interruptions)

SHRI BABUBHAI M. CHINAI: Will the Government examine whether superfine cotton which is being imported is utilised by coarse mills or not? If it is not used and if a premium has to be paid for it, why unnecessarily give it to coarse mills only? In the statement of the Minister it was said that it would be given to actual users.

SHRI L. N. MISHRA: That is a suggestion.

SHRI BABUBHAI M. CHINAI: It is a fact.

THE VICE-CHAIRMAN (SHRI BANKA BEHARY DAS): You did not reply to his last question.

SHRI L. N. MISHRA: Which question?

THE VICE-CHAIRMAN (SHRI BANKA BEHARY DAS): What happens when the Government takes up business?

SHRI A. G. KULKARNI (Maharashtra): Sir, I am very happy that the Government has formed this corporation and has thus implemented a suggestion made long back. In the ultimate analysis, this will help our agriculturists. Sir, I wanted to draw the attention of the Government to this point: Sudan and Egypt have got a higher per acre yield in the whole world, just like in America, because it is more than America also. So, the entire cotton trade is in the hands of the Government there. Where is it in the hands of the private trade? It is only in America. So, in Sudan and Egypt, it is in the hands of the Government. But, Sir, I really want to, what you call, draw the attention of the Minister to a more important point.

About reconsideration, I have already answered. I will tell him again that our main purpose at the moment is to go in for import trade 100 per cent. A question was raised as to how far we will be successful. Our main import is from the UAR, Sudan and such countries where only public sector undertakings are handling the cotton trade. Therefore, if we have a public sector organisation at this end, we thought it would be better for us. If we have something on par with their organisations then perhaps we can show better performance in the cotton trade and I hope the House will accept the necessity of having this kind of corporation.

SHRI BABUBHAI M. CHINAI: About credit, it is only 30 per cent. Will they give 100 per cent credit?

SHRI L. N. MISHRA: That is a suggestion.

SHRI BABUBHAI M. CHINAI: It is a fact.
Sir, you may be surprised and the House may be surprised to note that the land is also pooled together and whatever cotton is grown, the Government takes a certain percentage at a fixed price and the balance of the crop grown on the very area is free to the agriculturist to sell anywhere. I request the Government to consider this to be followed in this country if they want really to increase the per acre yield in this country.

Then, Sir, another point : It is about the utilization of expertise. Here also I want to draw the attention of the Government and I draw in Shri China! also there. There is a large expertise available, developed during the last hundred to two hundred years, in the import of cotton as well as in the sale of internal cotton. But, as the Minister has rightly stated, internal cotton is not going to come into the Government sector. Here also the Minister must not be complacent. Here, on the question of cotton procurement, he cannot assure any trading body that he will not come in to the extent that whenever price decrease will be there, Government will step in to purchase whatever cotton is available and pool it through their own resources and their own procurement agencies like the marketing co-operatives or the State Trading Corporation or the Cotton Corporation and I want to draw the attention of the Minister to this that he must categorically state that he will do it in the interest of the agriculturist. Otherwise, the agriculturists will be there to be exploited by the traders.

On my third point also I wanted to draw the attention of the Minister. He must also not yield at all to the threats being put by the trading bodies in this country. For the last fifteen days I am seeing the 'gheraos' and 'satyagraha' being done by these cotton traders in Bombay and the threats given in Delhi. Sir, through you I request the Minister to let it be known to all these capitalists who are interested in the cotton trade that the Government is made of...

(Interruptions)

SHRI M. K. MOHTA (Rajasthan) : Instead of asking any question, will he go on speaking like this? ...

(Interruptions)

SHRI A. G. KULKARNI : Here is another representative of that class.

SHRI M. K. MOHTA : Sir, instead of putting it in the form of a question...

(Interruptions')

SHRI A. G. KULKARNI : What, in the form of putting questions? You go on giving threats and doing 'gherao' ... (Interruptions). If you have got the guts to go before a labour union ... (Interruptions). ... I am not threatening. I am only requesting the Government for a clarification. When the threats are being given in this country by the capitalists, this is really a very queer phenomenon. They are exploiting the agriculturists and they have exploited the agriculturists up-till now and they are threatening the Government. It should not yield. That is what I am saying.

My last point, Sir ...

THE VICE-CHAIRMAN (SHRI BANKA BEHARY DAS) : Still another point left?

SHRI BABUBHAI M. CHINA! : I have asked the questions. You have not answered.

SHRI A. G. KULKARNI : You feel so. My last point particularly is that the Government should also explore the possibility of utilization of the expertise already available. I request through you, Sir, the trading community of this country also. They have decided to dissociate from the Government in offering expertise in the import of cotton. This will be an anti-national act. This will not be a correct approach...
for any Indun to say that he will not be cooperating with the Government when steps are being taken in the social interest and in the interest of the agriculturists.

SHRI L. M. MISHRA: Sir, Mr. Kul-karni is correct when he says that the Government should step in whenever any difficulty is experienced by the growers or agriculturists. We have taken the decision that we shall be in the market. So far as the Government is concerned, it shall be there in the market offer ng price support to the agriculturists. If any agriculturist or grower want to sell his cotton to the Government, the Corporation will be there to purchase it. This year itself the Corporation will make purchases as and when cotton is available to it.

About increasing the yield in cotton, it is a fact that our performance so far has not been comparable even to what has been, ppening in the UAR or Sudan. Mr. ICulkarni was correct when he said that the UAR or Sudan the State guides him what kind of cotton they should sow, what kind of seeds and ‘fertilisers they should use, and it is very well organised there, especially in the UAR. In fact I was studying this thing myself; nd now I will see to what extent the Government can help the agriculturists or growers. It will be our endeavour to help them as much as we can. But I most confess that we are far behind in this respect. I can only assure the House that I will use my good offices and of the other Ministries to help them in this task.

About the threat from cotton traders, I do not think there is any kind of threat but it is a fact that in the past two or three weeks I was getting telegrams and sor le dharnas were also organised telling ne not to take any decision now. But we have not waited and we have already taken a decision and the Corporation his just been registered at Bombay and it will be headed by a Chairman and managed by a Managing Director. It will start functioning from the 1st of September. First it will enter the import trade and eventually it will take over the domestic trade also but that take some years. Of course after developing our expertise and necessary machinery we will take to domestic trade also but it might take many years; I cannot forecast when the State will be in a position to take over this kind of complicated trade. With regard to the internal trade, we will not do anything which will dislocate the present arrangement in the cotton trade, Sir.
THE VICE-CHAIRMAN (SHRI BANKA BEHARY DAS) : Can you not be very concise?

DR. BHAI MAHAVIR : This is the only illustration I am giving.

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THE VICE-CHAIRMAN (SHRI BANKA BEHARY DAS) : Can you not be very concise?
THE VICE-CHAIRMAN (SHRI BANKA BEHARY DAS): There is no necessity to reply to that point because that is a broad issue. So you please confine yourself to this.
DR. BHAÍ MAHAVIR: He has not answered my question, Sir. I asked if the Government will consider taking over all import trade from all communist countries applying the same logic.

THE VICE-CHAIRMAN (SHRI BANKA BEHARY DAS): Don't you think that is a broader issue? So I asked him to confine himself to this question of the nationalisation of cotton trade.

DR. BHAÍ MAHAVIR: Still he can say that.

THE VICE-CHAIRMAN (SHRI BANKA BEHARY DAS): He need not reply to that point here. Now Mr. Dharia.

SHRI M. M. DHARIA (Maharashtra): Mr. Vice-Chairman, Sir, while welcoming the Cotton Corporation of
India may I know from the hon. Minister, when he said that they shall not touch domestic trade, whether it is not a fact that in the statement it is very clearly stated that in the field of domestic trade the corporation will make a beginning with undertaking purchases for certain specific objectives? At the same time the Agricultural Prices Commission has recommended the public sector for the purchase, sale and equitable distribution of domestic cotton and also for canalisation of imported cotton. On the basis of this recommendation will the hon. Minister clarify in the House that it will be the endeavour of this Corporation to see that even domestic trade is gradually taken over and all possible encouragement will be given to the agriculturists? It is true there may be three lakhs of families but let us not forget that these three lakhs of families have all the while exploited the agriculturists in the country. We shall have to do away with these middlemen. They may perish; as suffer but some ultimate shall have to be served on them. It does not mean that the monopoly of exploitation, should be continued. May I request the hon. Minister to clarify this point?

Mr. V. P. Chakravarty, Sir, the country is well aware that last year we imported cotton worth Rs. 90 crores. Though this Corporation is established for canclialing the imports, it should be the endeavour of this Corporation to see that as far as possible we do away with these imports and grow these varieties in this country and the farmers are given all possible incentives to grow the long-staple and other varieties. The Corporation should make efforts in that direction by taking co-operation from all the concerned Ministries.

Shri M. M. Dharia: Mr. V. P. Chakravarty, Sir, I have made it very clear that it should be the endeavour of the Corporation to do away with these imports that means it will be gradual by producing more and more the cotton that is required in the country, otherwise it is not possible. But I can say this that if this endeavour is made, within three years this country can become self-reliant. I have no doubt whatsoever because there are scientists in the country who have made many experiments but because these traders were interested in import trade, because they were interested in gaining crores and crores, they objected all the while and they did not...

Shri M. K. Mohota: How do the traders come in the way of more production?

Shri M. M. Dharia: I mean by traders imported houses; not necessarily cotton traders.

Shri Babubhai M. Chheda: How many are imported houses and how many are traders?

The Vice-Chairman: How long can we go on like this?

Shri M. M. Dharia: Because of the obstructions created by some established import houses who are interested in the cotton trade those schemes were never allowed to be successful. That is why I say this Corporation should encourage such schemes to produce long-staple varieties in this country, and should endeavour to see that we are self-sufficient in cotton, in all varieties that are required by the country. These are my suggestions. Government should not at any cost be pressured or allowed to be pressurised by these cotton traders. They have talked of gheraos and other things. It should be welcomed. Let them come in the streets so that their business can be gradually taken over without any resistance.

Shri L. N. Mishra: Mr. Vice-Chairman, Sir, I am sorry my friend, Mr. Mohan Dharia has perhaps mis-
understood me. If I have said that the Corporation shall not touch domestic trade—I do not think I have said like that but even if I have created that impression—I would like to withdraw that and remove any impression of that kind. As a matter of fact in this connection I read out a long paragraph and I have said that eventually we shall take over the domestic trade. We are making a start with purchasing of long-staple variety of cotton. I said we shall purchase cotton for the National Textile Corporation and also for the private mills if they desired. Therefore we are entering the domestic trade this year itself. What I said however was that we are not banning private trade in the domestic field. Our ultimate object is to take over domestic trade also; otherwise how can this public sector corporation function effectively?

About shortage, it is true that we have got a 'shortage but it is only about 10 to 12 per cent. Six to seven lakh bales we import from outside and if efforts are made, if new varieties are tried to be grown here, if fertiliser is provided, if all other efforts are made. I am sure we can become self-sufficient in cotton.

It will take some time and other Ministries will have also to be approached for this. This is what I have to say in reply to Mr. Dharia. As regards being bullied or being pressurised, I would request Mr. Mohan Dharia to have trust in the Government and in us. We are not going to be pressurised much less by those people who have their meetings in the Ashoka Hotel or the Taj Mahal Hotel.

SHRI MULKA GOVINDA REDDY (Mysore): Mr. Vice-Chairman, in view of the fact that adequate encouragement has not been given to improving the quality of cotton, to increase the yield and to increase the acreage, will his Ministry impress on the concerned Ministries to increase the allotment for improving cotton? Secondly, I would like to know whether any development fund will be created from the transactions of this Corporation. Thirdly, the cotton-growers are not getting a fair deal. Will the Ministry declare a minimum floor price every season for different qualities of cotton? I would like to know whether it has come to the notice of the Minister that in many States there are regulated markets. Cotton is auctioned there, but sometimes it so happens that the purchasers and millowners conspire to bring down the prices. They will not lift the cotton at all. They will not go to the regulated market to auction the cotton and sometimes for a week or ten days the cotton will be lying in the yards. May I know whether the Government is thinking of an agency whereby they will get a good price for the cotton that is brought to the regulated market and whether they will give adequate financial assistance to some of the agricultural produce marketing societies which are dealing in cotton and which go to the regulated for auctioning purposes? May I know whether adequate steps will be taken by the Government to see that a proper and fair price is paid to the growers?

SHRI L. N. MISHRA: This is the same question about the increase in the yield of cotton. It is accepted by everyone that we should do something about it. The suggestion of the lion. Member will be taken into account, about the floor price even today.

SHRI MULKA GOVINDA REDDY: I asked about the development fund.

SHRI L. N. MISHRA: I am coming to that. Even today we have floor prices, but the prices operating in the market are much above the floor prices so far. About the development fund, I cannot say at this stage what the Corporation will do. It will be for the Corporation to take all these points into consideration when they functioning.

SHRI MULKA GOVINDA REDDY: He did not answer my question, viz. in the regulated markets the purchasers and millowners conspire to bring down the price and there is no adequate agency to see that a proper
price is given to the cotton-grower. What steps are you going to take?

SHRI L. N. MISHRA: This Corporation will be there to offer price support to the agriculturist. When the Corporation is there to make purchases of cotton, the agriculturist will go to the Corporation to sell his cotton. When the traders are not giving them a fair price there will be the Corporation to offer them a fair price and they will accept a ton from the agriculturist.

SHRI V. K. MOHTA: Sir, the hon. Minister said that the Government is not going to be pressurised or bullied by these cotton traders. It is quite understandable, but when 3 lakhs of people are in danger of losing their bread and butter, naturally they will be extremely agitated and will try to put forward their case before the Government. I do not know what exactly is the implication of the hon. Minister’s statement when on the one hand he says that the internal trade is going to be taken over by the Government and by and by it the same breath he says that it may take two or three or ten years. I do not know what exactly is the intention of the Government. What will happen to these 3 lakhs of people? Do you expect all of them to become Government servants? The hon. Minister said that he wanted all cooperation. Should all these people become Government servants in the name of cooperation?

DR. B N. ANTANI (Gujarat): Government slaves, not servants.

SHRI M. K. MOHTA: What exactly is the financial implication of taking over the internal trade? The cotton production in India today amounts in value to something like Rs. 500 to Rs. 600 crores. When it is increased year by year as it is sought to be done up to 80 lakh bales, the total value will be Rs. 800 crores to Rs. 1000 crores. What sort of funds and resources will be needed in order to turn it into Rs. 1000 crores worth of cotton? The Government day and night have I been saying we have no resources for construction of canals. Yet the Government is going to tie up a sizeable amount of money in trading which is already being done by the private people. If the same amount of time, energy and funds were to be spent on increasing the production of cotton, I have no doubt that Rs. 100 crores of foreign exchange which we are spending today on the import of cotton will definitely be saved. Therefore, I would like the Minister to state very clearly the financial implications.

The Cotton Corporation has been formed with a capital of Rs. 1 crore. Nothing can be done with Rs. 1 crore when commodities worth Rs. 600 crores of internal cotton and Rs. 100 crores of imported cotton are involved. What is the Government going to do with Rs. 1 crore only? Therefore, this House is entitled to know the exact financial implications and I would request the hon. Minister to state them.

Secondly, the hon. Minister said that in the exporting countries there is a centralised trade and therefore in our importing country also we should have a centralised organisation. Japan is today the biggest buyer of cotton all over the world where there is no centralised operation there. Yet Japan is able to buy cotton at competitive rates, produce cloth at competitive rates and export to the whole world at competitive rates. How is Japan able to do that? It is doing it even today. Even in Britain, which is a big importer of cotton, there is no centralised agency. What exactly is the case Government is making for a centralised agency in India I do not understand.

Thirdly, the question of monopoly purchase by a centralised agency. Is it going to help the agriculturists or will it be against their interests? I do not know how the hon. Members and the Government also talk about floor prices and support price. Support price and floor price have been in existence for the last several years, and not once has any occasion arisen when prices went below these prices during the last four or five years so far as I can
[Shri M. K. Mohta] remember, h the Government prepared to give a categorical assurance to this House that the proposed Corporation rather the formed Corporation, would enter the domestic market only for price support operations and not otherwise? If that is really the intention—because to me it seems that the real intention is quite different—Sir. today the situation is that instead of support price or floor price the existing market price is several times the support price announced by the Government. The millowners are vying with each other to pay a higher price to the agriculturist so that they may get their requirement of cotton. When there is a centralised purchasing agency of the Government, when they will fix one price for everyone and the agriculturist will be forced to sell to this agency, would it be in the interest of the agriculturist or would it be in the interest of the bureaucracy only?

These points require to be clarified.

Shri L. N. Mishra: About domestic trade. I have explained at considerable length and I do not want to enter into an argument about monopoly purchase etc. or what Japan is doing. If we have a public sector organisation for import of cotton, the interests of the country, the interests of the traders and the interests of the cotton-growers will be in safer hands. About his other point, our ultimate objective is eventually to take over domestic trade. In the present situation we cannot do it. We have no machinery, we have no expertise, we have no know-how. What will happen after five or ten years I cannot say at this stage.

But our objective is to take over the domestic trade also. But I will request the hon. Member not to me to spell out the whole details. It is not possible for me. What I have said today about domestic trade stands for some years to come. It will not be possible for the Corporation, as we have been able to follow and understand, to take over the whole of the domestic trade immediately.

About giving floor price or support price. I am not entering into any argument. There has been the Agricultural Prices Enquiry Committee. They have suggested what should be the price support. If there is a price support, the agriculturists will get a fair price for their products. The hon. Member says that the price that the grower has been getting is over and above the price support or the floor price. It is a fact. This is mainly because of the fact that there is floor price there. Therefore, the agriculturist is assured of fair prices. It plays its own part. Price support or floor price, it plays its own part on the agriculturist.

About the domestic trade, I will not add anything more to what I have said in the paragraph that I read out to the House. And I will request the cotton traders, through hon. Member in the House, not to get unnecessarily panicky, but cooperate with us. They are not going to be our slaves or servants. They will be traders. Only the interests of the growers will be safer in our hands.

Shri M. K. Mohta: What about the financial implications? Sir. what are the financial implications?

The Vice-Chairman (Shri Banka Behary Das): Will you answer that question? He raised that question.

Shri L. N. Mishra: I have stated earlier that we are not going to enter into the domestic trade. Of course, it means Rs. 500 crores to Rs. 600 crores. But we are not going to enter into the domestic trade. Therefore, there is no confusion over these things.

Shri M. K. Mohta: Imports will be Rs. 100 crores. The capital is Rs. 1 crore.

Shri L. N. Mishra: Sir, he is a business man. It is not industry, it is trade. He asks, from where you will get money? Does he not simply know that? It is not industry, it is trade.

Shri N. Sri Rama Reddy (Mysore): The statement made by the
Minister h is made confusion worse con-
founded, e admits that he has not the know-
how for dealing with internal trade of cotton.
If he has not got the know-how about the
internal trade in cotton, is he sure that he has
got the know-how for dealing with the import trade? I would like to know.
Secondly a number of people ha e asked
before me, what is the schem:: you have
evolved for making use o the expertise of the
private traders, tl e private importers, for the
benefit of he country and for the benefit of
the Corporation as well. The Minister r K not
got with him anything evidently. That is why
has not been able to answer that question. I
would like to km (W if he has got any practical
scheme on hand and in what way he is going
to leek the cooperation of the traders ai d
utilise their expertise and skill.
Sir, some people made a remark that these
private traders are monopolists and things like
that. May I, with your permission, draw the
attention of the House to he fact that in the
year 1932 when the India Congress
Committee was proposing to hold a
Conference in Bombay, here was no place for
them? The year 1932 was such a year when
| great cruelty was perpetrated on this ' great
organisation, the AICC. And at that time it
was the Cotton Association that came forward
and offered their entifre cooperatk n. . .
(Interruptions) All these things • ou easily
forget. I mean to say, to dub them as
monopolists or say thing like that is not fair.
You will have to go back to the year 1932 to
see w tat part these traders played in the fre<
dom fight of the country. This I is by the way.
THE VICE-CHAIRMAN (SHRI BANKA BEHARY DAS): Will you kindly
pv t the question? We have to close the
Discussion.
SHRI N. SRI RAMA REDDY: With
regard t • the utilisation of the skill of the
private traders in the import trade that is
new being proposed to be taken over by he
Corporation, what is the practical scheme he
got on hand? Support price looks to be a
smoke-screen because t ie Minister himself
admits that the rulin j prices of the cotton in the
country are several times more than the
support price that is offered by the Go-
vernment. When that is the case he has not
made out a case for taking over the trade at
all. He has not the means. After he has got the
know-how for dealing with the internal trade
is he sure that he is going to deal properly
with external trade? I am anxious lest the
Government, forgetting the interest of the
country and the industry, should make a mess
of the whole thing and lead the industry and
the country into confusion.

SHRI L. N. MISHRA: To keep the record
straight, I would like to read out about the
handling of import of cotton and domestic
cotton trade. It is not a fact that we have no
know-how and no expertise. We have a
number of officers in the office of the Textile
Commissioner. So far as the gigantic task is
concerned, I should say we have not got the
necessary number of experts for the purpose.
The note says:—
“The Corporation will take over the entire
import trade in cotton from a date which will
be notified shortly. From that date, the practice
of issuing import licences to user mills will be
discontinued. Instead import licences will be
issued to the Cotton Corporation, with an
endorsement in favour of the user mills for
which the imported stock is intended. The Cor-
poration will have to consult the user mills in
regard to their requi rements and conclude
contracts in consultation with them. In
ffecting purchases experience of those who
have been engaged in this trade in the past,
will be drawn upon. In order to be able to
provide such services, the Corporation will
enrol the private indenting houses as its
Associates and will work out with them the
terms and conditions on which their services
will be utilised. Consultations with the trade
interests would be usefully undertaken. The
Corporation will gradually develop its
technical competence so that its dependence
on Associates is reduced over a period of
time.”

THE VICE-CHAIRMAN (SHRI
BANKA BEHARY DAS): Mr. Appan,
just one minute.
SHRI G. A. APPAN (Tamil Nadu) : I lay I know from [he hon'ble Minister, fir. Vice-Chairman, the causa prima for he starting of the Corporation? May
know whether this starting of the Cor-
>oration had been the result of some
:omplaints about the malpractices on he part
01 the merchants or somebody :ise? The
Minister himself admits that ic does rot have
the technical know-how and the personnel to
manage.

Mr. Vice-Chairman, Sir, he also says hat he
has got a number of officers in he office of
the Textile Commissioner. Joes it mean, Mr.
Vice-Chairman, that hey have no work and
that they arc inmployed? If they have no
work here their services can be utilised here.

Mr. Vice-Chairman. may I know rom the
hon'ble. Minister the quantity I cotton that is
imported and the value if it in the past? Mr.
Vice-Chairman. ye have been depending
upon khadi nd the coarse cloth which was
woven up to 18th in 1930.

THE VICE-CHAIRMAN (SHRI IANKA
BEHARY DAS) : That will o. The implicit
understanding was one lunte and that is why
I permitted you.

SHRI G. A. APPAN : Mr. Vice-chairman,
may I know whether he will point only
people who have the techni-al know-how ?
That means he would ot admit non-technical
people like :itle technologists and agriculturists. hey are simply appointing
officers, lay I also know whether in this
Com-ittee he will take competent technolo-
gists and also Members of Parliament, neither
he will see the accounts of this com-ittee
every month and every fort-night ad that
Minis Corporation will ot lose a pie of the
poor man?

THE VICE-CHAIRMAN (SHRI ANKA
BEHARY DAS) : That is all. Cave you
anything to say?

THE MINISTER OF STATE IN HE
MINISTRY OF LAW AND IN HE
DEPARTMENT OF SOCIAL WELFARE
(SHRJ JAGANNATH AO); That is a part of
our economic >licy The Corporation is
coming into , ring. There was a mandate
from our |
SHRI CHANDRA SHEKHAR (Uttar Pradesh) : Mr. Vice-Chairman, Sir, the honorable Minister has made an amusing declaration and extended a guarantee that this trade will be in private hands for the coming decade and for even two years more. And he has simultaneously said that it is in pursuance of the policy decision taken by his Party, to which I have the honour to belong. This Party has decided that it will immediately take over under State trading the trading of important agricultural produce like cotton and jute. That is the declaration that was made. But whatever may be the declaration of our Party, may I know whether it is the policy of the Government to give such assurances for the coming decade and whether any Government can reasonably extend such assurances in the present situation of our country? It is something very amusing and fantastic. That is number one.

And the Minister also agreed that he had no expertise, while the private business houses had got the expertise. Mr. Mohta and Mr. Chinai speak for one India and Mr. Lalit Narayan Mishra speaks for another India. There are two Indias being represented in this country, one represented by the big monopolists, capitalists and the private trade and the other being represented by the Government of India. I am really shocked and surprised to hear such fantastic ideas in this House, to see that responsible people should indulge in such things. If there is expertise in private trade, it is the expertise of the country. And when the trade is taken over by the Government they will be called upon to serve in cooperation with the Government. They will not be slaves of anybody. But these people are the slaves of their ideas and they want to keep the country bifurcated. Thirdly, from where do the cotton traders get their finance? They are always pressurising the Government asking, "From where are you bringing the finance?" How much accommodation has been extended to these cotton traders during the last year? The honourable Minister should give figures and we shall be able to call the bluff of these private traders. The Minister should not feel shy to say that this step has been taken because of the malpractices, the manipulations, the theory of exploitation, of foreign trade in the field of cotton.

SHRI L. N. MISHRA : I would not like to enter into an argument about the resolution and mandate of the party. Mr. Chandra Shekhar is a member of the Working Committee and he is a better authority on it. The resolution of the party was before me when I was making this note for the Cabinet. I have not said "ten years". I have only said that it is not for me to say when we will be able to take over. It is not for me to say whether it is in ten years or six years. I am not in a posi-
Ishri L. N. Mishra] tion to say anything today. But I said eventually domestic trade has to be, taken over by this Corporation as and when we develop the necessary machinery for it. If we can do it in two years, well and good. I do not know whether I will be here or somebody else will be here. I have not said "one decade or two decades". I only have said that it is not possible for me to say whether the Government will be able to take over the domestic trade in two years' time or one year's time or ten years' time. If we have the necessary machinery for it, it may be that we will be able to take over in two years of even one year. But I cannot say anything now. It is for the Corporation to decide depending upon the situation. But in principle we have decided to take over the import, in principle we have decided to take over the domestic trade also. The question as to when we will be able to do it is for the Corporation to decide, not for the Government.

THE VICE-CHAIRMAN (SHRI BANKA BEHARY DAS) : The House stands adjourned till 11 A.M. tomorrow.

The House then adjourned at fifty-seven minutes past five of the clock till eleven of the clock on Tuesday, the 4th August, 1970.